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H. R. 7216

"The Central Intelligence Agency Act Amendments of 1963"

The primary purpose of this legislation is to afford an improved retirement system for a portion of the employees of CIA. The bill is divided into two parts and the second part, Title II of the CIA Act, authorizes the Agency to establish a retirement system identical to the Foreign Service retirement system for Foreign Service officers.

Unlike the Foreign Service or the FBI, both of which provide for voluntary retirement at age 50 with 20 years' service, CIA employees are limited to the normal Civil Service Retirement benefits. Many Agency employees serve under conditions which are at least as difficult and onerous as the conditions which led to improved retirement for Foreign Service and the FBI. Those employees who will come under this proposed system are obligated to serve anywhere in the world as in the Foreign Service and the military and unlike the normal Civil Service employee. We believe that this system will fulfill our needs and will enable us to keep a younger service by retiring people earlier and giving them a more equitable annuity. It was determined that rather than establish an entirely new system the Agency would follow the precedent established in the retirement field by Foreign Service Legislation. Consequently, this bill authorizes the establishment of a separate retirement system for the Agency which is, as stated above, identical to the Foreign Service.

The other part of this bill contains a series of technical amendments most of which deal with travel expenses and other allowances for employees. The CIA Act of 1949 in this area generally followed Foreign Service authorities and this bill will merely bring these authorities up to date. There are several other new authorities requested such as authority to accept gifts and to settle claims. Each of the items in this part of the bill is based on similar authorities available to other Government agencies so that precedent exists for each item.

It is believed the enactment of this legislation will significantly improve the career structure of CIA and will permit great efficiency and flexibility to management and administration generally.

*Sub Committee #1 - House Armed Forces
Mendel Rivers*